

EXHIBIT 2

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1 ADAM J. LEVITIN
2 UNITED STATES DISTRICT COURT
3 WESTERN DISTRICT OF WASHINGTON
4 AT SEATTLE
5

6 -----X
7 IN RE: WASHINGTON MUTUAL MORTGAGE BACKED
8 SECURITIES LITIGATION
9
10 Master Case No. C09-0037
11
12 -----X
13

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15 June 28, 2012

16 9:35 a.m.

17 Videotaped deposition of ADAM J.
18 LEVITIN, at the offices of Scott + Scott, 500
19 Fifth Avenue, New York, New York, before Nancy
20 Mahoney, a Certified Court Reporter, Registered
21 Professional Reporter, Certified LiveNote
22 Reporter, and Notary Public within and for the
23 States of New York and New Jersey.
24
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<p>1 ADAM J. LEVITIN 2 APPEARANCES: 3 SCOTT + SCOTT LLP 4 Attorneys for Plaintiffs 5 500 Fifth Avenue 6 New York, New York 10110 7 8 BY: BETH KASWAN, ESQ. 9 bkaswan@scott-scott.com 10 CRAVATH SWAIN & MOORE LLP 11 Attorneys for Defendants 12 WaMu entities 13 825 Eighth Avenue 14 Worldwide Plaza 15 New York, New York 10019 16 17 BY: EVAN R. CHESLER, ESQ. 18 echesler@cravath.com 19 BRENDON DeMAY, ESQ. 20 bdemay@cravath.com 21 22 ALSO PRESENT: 23 William Pace, Videographer 24 Merrill Legal Solutions 25</p>	<p>1 ADAM J. LEVITIN 2 THE VIDEOGRAPHER: This is the 3 video operator speaking, William Pace for 4 Merrill Legal Solutions, 225 Varick Street, New 5 York, New York. 6 Today is June 28th, 2012, and the 7 time is 9:38 a.m. We're at the offices of 8 Scott + Scott, 500 Fifth Avenue, New York, New 9 York, to take the videotaped deposition of Adam 10 J. Levitin in the matter of In Re: Washington 11 Mutual Mortgage-Backed Securities Litigation in 12 the United States District Court, Western 13 District of Washington at Seattle, Master Case 14 No. C09-0037. 15 Will counsel please introduce 16 yourselves and state whom you represent. 17 MR. CHESLER: Evan Chesler for the 18 defendant. 19 MR. DE MAY: Brendan DeMay for the 20 defendant. 21 MS. KASWAN: Beth Kaswan with 22 Scott + Scott for the plaintiffs. 23 THE VIDEOGRAPHER: The court 24 reporter today is Nancy Mahoney for Merrill 25 Legal Solutions.</p>
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<p>1 ADAM J. LEVITIN 2 And you may swear in the witness. 3 THE WITNESS: I do so affirm. 4 ADAM J. LEVITIN, 5 having been first duly sworn by the Notary 6 Public (Nancy Mahoney), affirmed, was examined 7 and testified as follows: 8 EXAMINATION BY MR. CHESLER: 9 Q. Good morning. 10 A. Good morning. 11 Q. So I'm going to be asking you some 12 questions today. You understand you're here as 13 a retained expert for the plaintiffs in this 14 litigation? 15 A. I do. 16 Q. Okay. You've submitted a report to 17 the court in connection with this case? 18 A. I have. 19 MR. CHESLER: I'm going to ask the 20 court reporter to mark that as the first 21 exhibit. 22 (Deposition Exhibit 937 marked for 23 identification, Expert Report of Professor Adam 24 J. Levitin.) 25 BY MR. CHESLER:</p>	<p>1 ADAM J. LEVITIN 2 Q. Mr. Levitin, can you identify 3 Exhibit 937 for us? 4 A. It appears to be the report I 5 submitted in this case, including the various 6 appendices. 7 Q. Is there anything in it you want to 8 change? 9 A. No. 10 Q. You stand by everything in it? 11 A. I do. 12 Q. Who wrote it? 13 A. I did. 14 Q. Did you write it all yourself? 15 A. Of course. 16 Q. A yes or no would be sufficient. 17 Did you get any comments from 18 anybody? 19 A. No. 20 Q. Over what period of time did you 21 write the report? 22 A. I was -- I'm not sure I can give 23 you the precise dates, but this was done within 24 a fairly limited time window. The report was 25 submitted on March 12th, and I believe I was</p>

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<p>1 ADAM J. LEVITIN</p> <p>2 engaged -- I'm sorry -- March 29th, it was</p> <p>3 submitted. I believe I was engaged either at</p> <p>4 the end of February, the beginning of March. So</p> <p>5 somewhere roughly within the course of a month.</p> <p>6 Q. For what purpose were you retained</p> <p>7 by the plaintiffs in this case?</p> <p>8 A. I was retained to provide expert</p> <p>9 opinion on the sec -- on the role of private</p> <p>10 label securitization and the</p> <p>11 originate-to-distribute model in the financial</p> <p>12 crisis.</p> <p>13 Q. And it's your understanding that</p> <p>14 that issue is relevant to the matters to be</p> <p>15 decided in this case by the court?</p> <p>16 A. It's my understanding that it --</p> <p>17 that it is relevant for two reasons: Originally</p> <p>18 my -- my report was focused on the expert report</p> <p>19 submitted by Mr. Eisenbeis which dealt with --</p> <p>20 where he addressed questions of what caused the</p> <p>21 financial crisis and this, I think, all goes to</p> <p>22 the question of loss causation. And as things</p> <p>23 developed, it became clear that Mr. James'</p> <p>24 report and also his deposition testimony on the</p> <p>25 negative loss -- his negative loss causation</p>	<p>1 ADAM J. LEVITIN</p> <p>2 opinion was also connected with what I was</p> <p>3 test -- with what I opined about, specifically</p> <p>4 two things.</p> <p>5 Mr. James and his negative loss</p> <p>6 causation opinion argues that Washington</p> <p>7 Mutual -- that the credit performance in</p> <p>8 Washington Mutual loans was substantially</p> <p>9 similar to that of a control -- of an industry</p> <p>10 control group, and from this he concludes --</p> <p>11 wrongly, I would say -- that Washington Mutual</p> <p>12 -- that Washington Mutual's alleged deviation or</p> <p>13 degradation of its underwriting guidelines did</p> <p>14 not affect the -- did not cause the losses</p> <p>15 suffered by the plaintiffs.</p> <p>16 I think this is wrong for two</p> <p>17 reasons -- well, they essentially are the same,</p> <p>18 which is that he has an improper control group,</p> <p>19 and his control group is wrong because there's</p> <p>20 an endogeneity problem which he does not seem to</p> <p>21 be aware of. And that -- and there is also --</p> <p>22 and I'll elaborate on that in a second.</p> <p>23 And there is also a problem that</p> <p>24 the -- that degradation of underwriting</p> <p>25 guidelines was endemic throughout the industry.</p>
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<p>1 ADAM J. LEVITIN</p> <p>2 So it's not at all surprising that Washington</p> <p>3 Mutual's loans performed similarly to the rest</p> <p>4 of the industry. They're all poorly</p> <p>5 underwritten essentially. And that -- that's in</p> <p>6 no way exculpatory of Washington Mutual.</p> <p>7 So to elaborate on the endogeneity</p> <p>8 problem. Washington Mutual's underwriting</p> <p>9 guidelines -- and you can see this specifically</p> <p>10 in, I believe it's the minutes of Washington</p> <p>11 Mutual credit committee meeting -- they</p> <p>12 specifically reference Countrywide's</p> <p>13 underwriting guidelines, and they say we will</p> <p>14 match -- I'm paraphrasing here -- but we will</p> <p>15 match or beat Countrywide's terms.</p> <p>16 And Countrywide had the same --</p> <p>17 pretty much the same policy. You can see that</p> <p>18 on Page 232 of the senate report.</p> <p>19 THE WITNESS: Am I speaking too</p> <p>20 fast? Slow down? Happy to slow down.</p> <p>21 A. So there's an endogeneity</p> <p>22 problem that he's compare -- he's comparing two</p> <p>23 things that are linked, and that's an improper</p> <p>24 control. That's issue one.</p> <p>25 Issue two of how my report relates</p>	<p>1 ADAM J. LEVITIN</p> <p>2 to the James report is that Mr. James is opining</p> <p>3 that -- in his negative loss causation opinion</p> <p>4 that plaintiffs' losses were caused by -- were</p> <p>5 caused by the financial crisis, the housing</p> <p>6 crisis, and not by Washington Mutual's deviation</p> <p>7 from or disregard of its underwriting</p> <p>8 guidelines.</p> <p>9 And my opinions are relevant to</p> <p>10 this in the following way -- and, actually, let</p> <p>11 me start by making clear what I'm not opining,</p> <p>12 because it would be -- it would be a shame if</p> <p>13 my -- it would be a shame if -- if my former</p> <p>14 colleagues at Cravath, Swaine & Moore in, you</p> <p>15 know, advocational zeal were to misconstrue what</p> <p>16 my testimony is.</p> <p>17 What I'm not opining -- I want to</p> <p>18 be very clear on this -- -- is that I'm not</p> <p>19 opining that housing crisis caused losses,</p> <p>20 Washington Mutual causes housing crisis -- I'm</p> <p>21 not making a simple syllogism like that -- and,</p> <p>22 therefore, Washington Mutual causes the losses.</p> <p>23 Instead I'm -- I think I'm saying</p> <p>24 something a little more complex, and that is</p> <p>25 that to the extent the housing crisis affected</p>

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<p>1 ADAM J. LEVITIN</p> <p>2 reviewing some of the documents that were</p> <p>3 produced in discovery.</p> <p>4 Q. Did you review the disclosures that</p> <p>5 were made?</p> <p>6 A. In one of the prospectus statements</p> <p>7 and also in the Summary Judgment Motion.</p> <p>8 Q. And you didn't look at the -- any</p> <p>9 of the documentation with respect to five of the</p> <p>10 six deals and looked at the pro supp with</p> <p>11 respect to one, correct?</p> <p>12 A. That's correct.</p> <p>13 MS. KASWAN: Objection.</p> <p>14 A. However, it's my understanding that</p> <p>15 at least four of the five were from the same</p> <p>16 shelf and it would be quite unusual for there to</p> <p>17 be significantly different disclosures within</p> <p>18 that shelf, but I have not looked at them, so I</p> <p>19 cannot say with certainty.</p> <p>20 Q. And you haven't read the</p> <p>21 disclosures that were made in any of the</p> <p>22 offering statements that you didn't look at</p> <p>23 obviously, right?</p> <p>24 A. No, but I have read the -- the</p> <p>25 selections that defendants' counsel thought were</p>	<p>1 ADAM J. LEVITIN</p> <p>2 relevant to cite to the court in a Summary</p> <p>3 Judgment Motion.</p> <p>4 Q. That's it?</p> <p>5 A. That's correct.</p> <p>6 MR. CHESLER: Okay. I have no</p> <p>7 further questions.</p> <p>8 THE VIDEOGRAPHER: This concludes</p> <p>9 videotaped deposition at 2:48 and marks the end</p> <p>10 of tape number two.</p> <p>11</p> <p>12 (Time noted: 2:48 p.m.)</p> <p>13</p> <p>14</p> <p>15 ADAM J. LEVITIN</p> <p>16 Subscribed and sworn to before me</p> <p>17 this ____ day of _____, 2012.</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>
<p style="text-align: right;">Page 172</p> <p>1 STATE OF NEW YORK)</p> <p>2 ss</p> <p>3 COUNTY OF NEW YORK)</p> <p>4 I wish to make the following changes, for the</p> <p>5 following reasons:</p> <p>6 PAGE LINE _____</p> <p>7 CHANGE FROM _____</p> <p>8 CHANGE TO _____</p> <p>9 REASON _____</p> <p>10</p> <p>11 CHANGE FROM _____</p> <p>12 CHANGE TO _____</p> <p>13 REASON _____</p> <p>14</p> <p>15 CHANGE FROM _____</p> <p>16 CHANGE TO _____</p> <p>17 REASON _____</p> <p>18</p> <p>19 CHANGE FROM _____</p> <p>20 CHANGE TO _____</p> <p>21 REASON _____</p> <p>22</p> <p>23 ADAM J. LEVITIN</p> <p>24 Subscribed and sworn to before me</p> <p>25 this ____ day of _____, 2012</p>	<p style="text-align: right;">Page 173</p> <p>1 CERTIFICATE</p> <p>2 STATE OF NEW YORK)</p> <p>3 : ss.</p> <p>4 COUNTY OF NEW YORK)</p> <p>5</p> <p>6 I, NANCY MAHONEY, a Certified Court</p> <p>7 Reporter, Registered Professional Reporter,</p> <p>8 Certified LiveNote Reporter, and Notary Public</p> <p>9 within and for the States of New York and New</p> <p>10 Jersey, do hereby certify:</p> <p>11 That ADAM J. LEVITIN, the witness</p> <p>12 whose deposition is hereinbefore set forth, was</p> <p>13 duly sworn by me and that such deposition is a</p> <p>14 true record of the testimony given by the</p> <p>15 witness.</p> <p>16 I further certify that I am not</p> <p>17 related to any of the parties to this action by</p> <p>18 blood or marriage, and that I am in no way</p> <p>19 interested in the outcome of this matter.</p> <p>20 IN WITNESS WHEREOF, I have hereunto</p> <p>21 set my hand this 29th day of June 2012.</p> <p>22</p> <p>23 NANCY MAHONEY, CCR/RPR</p> <p>24</p> <p>25</p>